

CHAPTER 9

FUNDING, ACCOUNTING, AND REIMBURSEMENT

A. DEFENSE EMERGENCY RESPONSE FUND

1. The Defense Emergency Response Fund (the "Fund") (reference (d)), was established on the books of the Treasury. Congress initially appropriated \$100 million to finance the costs of the Department of Defense efforts to relieve the effects of natural and manmade disasters prior to the receipt of a reimbursable request for assistance from Federal, State or local authorities. The Fund's application was expanded by the Fiscal Year 1994 Appropriations Act to provide authority to use the Fund for Department of Defense **costs** in providing supplies or services incurred in response to natural or manmade disasters.

2. The Treasury index symbol of the Fund is 97x4965. The purpose of the Fund is to prevent an adverse impact on DoD mission accomplishment as the result of the use of mission funds to finance disaster relief efforts. The Fund was initially capitalized at \$100 million. Reimbursements, and appropriations made to the Fund, received for the cost of DoD support provided will be deposited to the Fund. Assistance provided for disasters or emergencies will be as prescribed in DoD Directive 3025.1 (reference (c)).

3. The DoD Office of the Deputy Comptroller (Programs and Budget) controls the use of the fund. When the situation warrants its use, a request for use of the fund will be forwarded through the DOMS to the C/DoD (Program and Budget). The Fund may only be used upon a determination by the Secretary of Defense that it is necessary to use it. Following the amendment to the Emergency Response Fund appropriation by the Fiscal Year 1994 Appropriations Act, the Secretary of Defense made the determination that not to exceed \$50 million may be used for foreign disaster relief. The remainder of the funds (approximately \$45 million) has been reserved for domestic disaster or civil emergency operations. (Foreign disaster relief operations are to be administered by the Office of the Under Secretary of Defense (Policy).)

B. DOMESTIC OPERATIONS OVERVIEW. The Secretary of Defense or designated representative, the Secretary of the Army, may direct use of DoD resources in response to a major disaster or emergency. The DoD resources may be committed within the United States, its territories, possessions, and Administrative and Commonwealth Areas.

1. DoD resources may be committed during the immediate aftermath of an incident before a Presidential declaration of a major disaster or emergency, when imminently serious conditions pose threats to life and property are present that cannot be effectively dealt with by the State or local governments.

2. Following a Presidential disaster declaration, requests for assistance from the governor of a State, or the acting governor in his or her absence, should be submitted to the Associate Director of FEMA through the appropriate FEMA Regional Director. Upon receipt of the request, the FEMA Regional Director shall gather adequate information to support a recommendation and forward it to the Associate Director. If the Associate Director determines that such work is essential to save lives and protect property, he or she will issue a mission statement to the Department of Defense authorizing Federal assistance to the extent deemed appropriate.

3. The Department of Defense shall ensure that the work is completed in accordance with the approved scope of work, costs, and time limitations in the mission assignment. The Department of Defense shall also keep the FEMA Regional Director and the State advised of work progress and other project developments. It is the responsibility of the Department of Defense to ensure compliance with applicable Federal, State, and local legal requirements. A final report will be submitted to the FEMA Regional Director upon termination of all direct Federal assistance work. Final reports shall be signed by a representative of the Department of Defense and the State. Once the final eligible cost is determined, the Department of Defense will request reimbursement from the **FEMA**.

4. The DoD Components are authorized to respond to disasters and emergencies based upon imminently serious conditions as provided by DoD, Directive 3025.1 (reference (c)). Further, the the Secretary of Defense, Deputy Secretary of Defense, or Executive Agent may direct DoD components to respond to disasters and emergencies. If an emergency of any kind or size requires a response on behalf of the Department of Defense, where there has not been any declaration of major disaster or emergency by the President, or if reimbursement of funds to the DoD is uncertain, the DoD Executive Agent will determine the authority for commitment of DoD resources:

a. Authorizations by the DoD Executive Agent under DoD Directive 3025.1, subsection D.7, reference (c), shall include (but not be limited to) commitment of funds from the Defense Emergency Response Fund in anticipation of reimbursement to that fund.

b. Authorizations shall be obtained from the Secretary of Defense or **Deputy Secretary** of Defense, through their Special

Assistant, if DoD response is not clearly required by Federal law, by this Manual, or by DoD plans approved by the DoD Executive Agent.

C. FISCAL GUIDANCE

1. Appropriation Receipt and Apportionment. The Defense Finance and Accounting Service (DFAS) shall be responsible for recording the appropriation warrant (TFS Form 6200) for the Emergency Response Fund appropriation, when received, on applicable accountable records. The Office of the Deputy Comptroller (Program and Budget) is responsible for preparation of the Apportionment and Reapportionment Schedule (DD Form 1105) and the issuance of funding authorizations.

2. Initiation of DoD Response

a. The absence of a formal reimbursement agreement need not delay a DoD response; however, every effort should be made to ensure that the agreement is executed as soon as possible after the DoD response effort begins. The agreement shall specify that reimbursement shall be in accordance with the provisions of paragraph B.3.

b. As the designated DoD Executive Agent, the Secretary of the Army shall fulfill those responsibilities specified in DoD Directive 3025.1 (reference (c)). The Executive Agent, through his agent, the Director of Military Support, shall estimate the amount of funds required for DoD response to the emergency condition, and request an allotment of program authority from the Deputy Comptroller (Program and Budget).

c. The Office of the Deputy Comptroller (Program and Budget) shall issue a fund authorization release letter in the lesser of:

(1) The amount requested, or

(2) The unallocated funds within the Defense Emergency Response Fund. Amounts appropriated to the Fund are direct program authority. Amounts reimbursed to the Fund are reimbursable program authority. Allotments of the Fund authorization shall be provided from reimbursable program amounts, to the extent that such amounts are available, before use of direct program authority.

d. DFAS shall record Fund availability and provide accounting support to the Executive Agent. Task orders, issued by the Executive Agent or his or her authorized representatives to the DoD Components requested to provide assistance (performing activities), shall be obligated against the authorized fund allotment for that emergency. DFAS shall record the issuance of

the reimbursable orders to the performing activities.

e. The performing activity shall record the receipt of the reimbursable order and provide assistance in accordance with the direction received from the Executive Agent.

f. After the Department of Defense begins its initial response operations, it is necessary to estimate the total funding needs for the duration of the emergency response. Approximately 10 days after the disaster event, estimates of the total costs to date and resources required to finish the job should be developed by major object class (as described in OMB Circular A-11, reference (mmmm)) and furnished to the on-site FCO and DFAS.

3. Reimbursable Costs. Generally, only incremental costs associated with providing assistance as directed by the Executive Agent in response to disasters and emergencies are reimbursable. Specifically, the following costs are eligible for reimbursement:

a. Wages (including overtime where applicable), travel, and per diem of temporary DoD civilian personnel.

b. Costs of RC called to active duty by a Federal official solely to perform disaster services. If the reserves are credited with annual training, then **only** travel and per diem is reimbursable.

c. Cost of work, services, and material procured under contract.

d. Cost of materials, equipment, and supplies (including transportation, repair, and maintenance) from regular stocks .

e. Overtime, travel, and per diem of permanent DoD civilian personnel.

f. All costs incurred that are paid from trust, revolving, or other funds, and whose reimbursement is required by law.

g. Other costs submitted with written justification or otherwise agreed to in writing by the Executive Agent.

4. Requests for Reimbursement

a. Performing DoD Activities. Reimbursement may be requested through use of the SF 1080, "Voucher for Transfers Between Appropriations or Funds," for reimbursement by Treasury check or by SF 1081, "Voucher and Schedule of Withdrawals and Credits," for reimbursement by electronic transfer of funds at

Treasury. Requests for reimbursement shall be documented with specific details on personnel services, travel, costs of contracts for services, materials, supplies, and miscellaneous expenses and all other expenses by object class as specified in OMB Circular A-n (reference (mmmm)) and by any **subobject** class used in the performing activity's accounting system. The Fund shall reimburse performing activities for the duration of relief operations to the extent that reimbursement for that effort is known or reasonably probable. DoD activities requesting reimbursement shall maintain all financial records, supporting documents, statistical records, and other records pertinent to the provision of services or use of resources by those activities. These materials must be accessible to duly authorized officials for making audits, excerpts, and transcripts, for a period of 6 years 3 months from the date of submission of the final billing.

b. **Emergency Response Fund.** DFAS shall receive and consolidate the requests for reimbursement by performing DoD activities. Requests for reimbursement may be submitted at any time; however, a final billing should be submitted within 90 days after completion or termination of the mission. Requests for reimbursement for FEMA-directed domestic emergencies shall be submitted via a SF 1080 or SF 1081 to the applicable FEMA Regional Director, FEMA Region ## (insert Region number), Attention: Program Support Officer. The SF 1080 or 1081 prepared for FEMA reimbursement should include, in addition to normally provided information, an identifier as to why reimbursement is requested. The identifier should read "Federal Response Plan" and be followed by the FEMA-assigned disaster number and State (each State is assigned a specific disaster number). Work performed based on a mission assignment letter from FEMA shall **cite** the specific mission assignment under which the work was performed as well as the disaster number. The SF 1080 or SF 1081 should be accompanied by an attachment which explains the following:

(1) Amount previously billed.

(2) Current billing amount.

(3) Cumulative amount billed to date.

(4) Explanation of charges broken down by:

(a) Personal services including regular time and overtime with the number of hours and total cost.

(b) Travel and transportation, separating per diem and other travel expenses.

(c) Materials, supplies, and miscellaneous

expenses including separate identification of any single item costing \$1,000 or more. Items of expendable property or supplies costing less than \$1,000 need not be identified. Costs for rental space should be listed separately.

(d) Costs of contracts for services listed by title and costs.

(e) Other eligible costs.

5. Reimbursement of Identified Costs

a. In providing accounting support to the Executive Agent, the DFAS, using funds allotted for a particular emergency, shall reimburse performing activities for those reimbursable costs the activities incur and bill to the Defense Emergency Response Fund (97X4965).

b. Collections of funded costs recovered for disaster assistance provided shall be deposited to the credit of the Defense Emergency Response Fund (97X4965) through use of DD Form 1131, "Cash Collection Voucher," or equivalent document. DFAS, acting as the representative of the Executive Agent, will be responsible for collection followup.

6. Financial Reporting. DFAS shall prepare the appropriation and fund status reports for the Defense Emergency Response Fund required by chapters 93 and 94 of DoD 7220.9-M (reference (nnnn)). The reports required for the Defense Emergency Response Fund are:

- a. Report on Obligations, SF 225
- b. Report on Financial Position, SF 220
- c. Report on Operations, SF 221
- d. Report on Cash Flow, SF 222
- e. Report on Reconciliation, SF 223
- f. Year-End Closing Statement, Acct Rpt(TFS)2108
- g. Report on Budget Execution, -Acct Rpt(M)1176
- h. Flash Report on Obligation Status, Acct Rpt(M)1445
- i. Report on Obligations, SF-225, IRCN 1183-TD-QU
- j. Report on Reimbursements, Acct Rpt(M)725

7. The Executive Agent or DOMS shall inform the Office of

the Deputy Comptroller (Program and Budget) of the need for an additional appropriation, if necessary, to maintain the Defense Emergency Response Fund at its appropriated level.